

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0848-01  
Bill No.: SB 218  
Subject: Railroads; Revenue Dept.; Taxation and Revenue - General, Sales and Use  
Type: Original  
Date: January 26, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Conservation	(Unknown)	(Unknown)	(Unknown)
Parks and Soil	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on All State Funds*</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>

\* Not expected to exceed \$100,000 annually.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on All Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>	<b>(UNKNOWN)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation as worded would create a sales tax exemption for all retail sales to a railroad of rail, ties, ballast and signal control equipment within the state of Missouri. DOR assumes this legislation would not fiscally impact its agency.

Officials from the **Office of Administration - Budget and Planning (BAP)** has not been able to find any empirical basis to estimate the fiscal impact of this proposal.

Since **Oversight** does not possess data regarding the incidence of railroad purchases within this state for use outside Missouri, revenue losses have been stated as unknown, not expected to exceed \$100,000 annually to all affected funds.

**This proposal would result in a minimal decrease in Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Loss to State Funds:</u>			
General Revenue Fund	(Unknown)	(Unknown)	(Unknown)
School District Trust Fund	(Unknown)	(Unknown)	(Unknown)
Conservation Sales Tax Fund	(Unknown)	(Unknown)	(Unknown)
Parks and Soil Sales Tax Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON ALL FUNDS*</b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>

**\*Not expected to exceed \$100,000 annually**

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Loss to Political Subdivisions</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

All retail sales to a railroad of rails, ties, ballast and signal control equipment within the state of Missouri are exempt from sales and use taxes if these materials are shipped wholly or in part under a bill of lading to a point outside of this state when the property is transported to the out-of-state destination for use by the purchasing railroad.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Office of Administration  
Budget and Planning



Jeanne Jarrett, CPA  
Director  
January 26, 2001